In the Claims:

Kindly cancel claim 1 without prejudice.

Kindly add the following new claims 38-47:

38. A method for tracking and dispensing medical items comprising the steps of:

placing at least one unit of a plurality of types of medical items in a plurality of storage locations, wherein each storage location holds only one type of medical item at a time;

inputting patient identifying data to a data entry device, wherein the patient identifying data corresponds to a patient;

removing one unit of a type medical item from a storage location with a dispenser mechanism;

modifying a data store using a processor in operative connection with the data store, wherein the processor is in operative connection with the data entry device and the dispenser mechanism, wherein the data store includes data representative of the patient and data representative of the type medical item stored in the storage location, and wherein the data store is modified responsive

to the removing step and the inputting step, to include data representative of the

dispense of the type medical item for the patient.

39.   The method according to claim 38 and wherein the data store further includes data

representative of a plurality of authorized users, and prior to the removing step further

comprising the steps of:

receiving user identifying data from a user through a user data entry device;

determining with the processor whether the input user identifying data

corresponds to data for an authorized user stored in the data store, wherein the

processor operatively controls the dispenser device to enable performance of the

removing step only when the input user identifying data corresponds to an

authorized user.

40.   The method according to claim 39 wherein in the modifying step the data store is

further modified to include data representative of a record that the authorized user determined

is the determining step dispensed the type medical item.

41.   The method according to claim 39 and prior to the removing step further comprising

the steps of:

further receiving user identifying data from a further user through the user data entry device; and

further determining with the processor whether the input user identifying data from the further user corresponds to data for an authorized user stored in the data store, other than the authorized user determined in the first determining step, and wherein the removing step is enabled to be performed only when the data received in the receiving and further receiving steps corresponds to two different authorized users.

42.   The method according to claim 39 wherein the receiving step includes receiving data read from an object and receiving manually input data.

43.   The method according to claim 38 and after the removing step further comprising the step of:

sensing with a verification sensor the dispense of the type medical item removed in the removing step, wherein the verification sensor is in operative connection with the processor, and wherein the modifying step is not performed if the dispense of the item is not sensed in the sensing step by the verification sensor in the sensing step.